

IC 21-2-4

Chapter 4. Debt Service Fund

IC 21-2-4-1

Definitions

Sec. 1. (a) As used in this chapter, "school corporation" shall mean and refer to any local public school corporation established by and under the laws of the state of Indiana. The term shall include but not be limited to any school city, school town, school township, consolidated school corporation, metropolitan school district, county school corporation, community school corporation, or united school corporation.

(b) As used in this chapter, "governing body" shall mean and refer to any board of school commissioners, any metropolitan board of education, any board of school trustees, any township trustee and township board of any school township, or any other board or commission charged by law with the responsibility of administering the affairs of a school corporation.

(Formerly: Acts 1967, c.320, s.1.) As amended by P.L.8-1987, SEC.62.

IC 21-2-4-2

Establishment of fund; receipts and disbursements

Sec. 2. The governing body of each school corporation in Indiana shall establish a debt service fund for the payment of:

- (1) all debt and other obligations arising out of funds borrowed or advanced for school buildings when purchased from the proceeds of a bond issue for capital construction;
- (2) a lease to provide capital construction;
- (3) interest on emergency and temporary loans;
- (4) all debt and other obligations arising out of funds borrowed or advanced for the purchase or lease of school buses when purchased or leased from the proceeds of a bond issue, or from money obtained from a loan made under IC 20-9.1-6-5, for that purpose;
- (5) all debt and other obligations arising out of funds borrowed to pay judgments against the school corporation; or
- (6) all debt and other obligations arising out of funds borrowed to purchase equipment.

The term "debt service" shall include but not be limited to lease rental obligations, school bonds and coupons and civil bond obligations assumed by school corporations reorganized pursuant to IC 20-4-1, and any interest cost on emergency and temporary loans but shall not include the repayment of the principal of the emergency and temporary loans obtained for benefit of any other fund. All receipts and disbursements authorized by law for school funds and tax levies for the lease rental fund, bond fund, sinking fund, civil bond obligation fund, and payment of interest on emergency and temporary loans shall be received in and disbursed from the debt service fund.

(Formerly: Acts 1967, c.320, s.2.) As amended by Acts 1977, P.L.255, SEC.1; Acts 1979, P.L.222, SEC.1; Acts 1980, P.L.44, SEC.5; P.L.41-1993, SEC.40.

IC 21-2-4-3

Tax levy

Sec. 3. A tax levy shall be established by the governing body of each school corporation for the 1968 calendar year and all succeeding calendar years sufficient to pay all debt service obligations. If the advertised levy is insufficient to produce revenue to meet all debt service obligations for any calendar year, the department of local government finance is hereby authorized to establish a levy greater than advertised, if necessary, to meet such obligations.

(Formerly: Acts 1967, c.320, s.3.) As amended by P.L.90-2002, SEC.421.

IC 21-2-4-4

Application of existing laws

Sec. 4. All authority granted by laws in effect on January 1, 1968, for the establishment of funds, levies, and tax limitations for payment of current debt service, including, but not limited to, bonds and coupons, civil bond obligations, and lease rental contracts, shall be deemed to mean and refer to the debt service fund from and after January 1, 1968.

(Formerly: Acts 1967, c.320, s.4.) As amended by P.L.2-1988, SEC.668.

IC 21-2-4-5

Transfers from veterans memorial fund or common school fund to debt service fund; statutory references in prior laws

Sec. 5. An amount equal to deductions made or to be made in the current year for the payment of principal and interest on an advancement from any state fund (including the common school fund and the veterans memorial school construction fund) may be included in debt service and appropriated and paid to the general fund. Any balance remaining in the veterans memorial fund or the common school fund on January 1, 1968, shall be transferred to the debt service fund and may be appropriated and paid to the general fund. No separate tax levy shall be made in the budget for 1968 or thereafter for the veterans memorial fund or the common school fund. Any reference in prior laws to the veterans memorial fund or common school fund shall be construed in pari materia with this section and this law, and the procedure provided herein.

(Formerly: Acts 1967, c.320, s.5.)

IC 21-2-4-6

Interpretation of prior tax laws

Sec. 6. Any law or part of law that is not amended to comply with the legislative intent expressed by the provisions of this chapter,

which law or part of law has governed school corporation authorization for levying taxes for debt service as provided by this chapter, shall be deemed to refer to the procedures provided in this chapter.

(Formerly: Acts 1967, c.320, s.6.) As amended by P.L.2-1988, SEC.669.

IC 21-2-4-7

Transfer to general fund

Sec. 7. (a) The governing body of a school corporation may adopt a resolution to transfer after June 30, 2002, and before January 1, 2003, money that is:

- (1) not greater than the remainder of the amount described in IC 21-3-1.7-8.2(b) STEP TWO (C) minus the amount transferred under IC 21-2-11.5-5(a) and IC 21-2-15-13.1(a); and
 - (2) on deposit in the school corporation's debt service fund;
- to the school corporation's general fund for use for any general fund purpose.

(b) The governing body of a school corporation may adopt a resolution to transfer after December 31, 2002, and before July 1, 2003, money that is:

- (1) not greater than the remainder of the amount described in IC 21-3-1.7-8.2(b) STEP TWO (D) minus the amount transferred under IC 21-2-11.5-5(b) and IC 21-2-15-13.1(b); and
 - (2) on deposit in the school corporation's debt service fund;
- to the school corporation's general fund for use for any general fund purpose.

(c) This section expires July 1, 2003.

As added by P.L.178-2002, SEC.89. Amended by P.L.224-2003, SEC.143.

IC 21-2-4-8

Transfer among funds

Sec. 8. A school corporation may transfer money to or from the debt service fund under IC 21-2-11-4(c).

As added by P.L.224-2003, SEC.144.